

POOLED MONEY INVESTMENT BOARD
915 Capitol Mall, Room 110
Sacramento, CA 95814

MINUTES

Wednesday, November 17, 2004

The meeting was called to order at 10:05 a.m.

Roll: Francisco Lujano for State Treasurer Philip Angelides
 Cindy Aronberg for State Controller Steve Westly
 Bob Campbell for Interim Director of Finance Michael Genest

Staff Present: Doug Spittler, State Treasurer's Office
 Gina Greer, Attorney General's Office
 Linda McAtee, State Treasurer's Office

APPROVAL OF MINUTES

The Minutes for the meeting of October 20, 2004, were not available for approval.

APPROVAL OF PMIB DESIGNATION NO. 1665

Mr. Doug Spittler of the State Treasurer's Office presented the Portfolio Summary Report as of November 10, 2004. On that day, the portfolio stood at \$51.744 billion. The effective yield was 1.994%, the quarter-to-date yield was 1.914% and the year-to-date yield was 1.752%. The average life of the portfolio was 192 days and AB 55 Loans approved stood at \$4.271 billion with \$1.012 billion having been disbursed. The Local Agency Investment Fund had deposits totaling \$18.862 billion with 2,732 participants.

Designation No.1665 was approved, 3-0.

APPROVAL OF SURPLUS MONEY DECLARATIONS/REDUCTIONS

Mr. Spittler presented the changes in the Surplus Money Investment Fund for the period October 1, 2004, through October 31, 2004. During that month \$7.664 billion was declared surplus in various special funds, while \$6.721 billion was declared to be a reduction in surplus.

The Surplus Money Declaration/Reduction for the month of October 2004 was approved, 3-0.

APPROVAL OF SURPLUS MONEY INVESTMENT FUND REQUESTS

Mr. Doug Spittler presented three SMIF requests. The first request was from the Department of Parks and Recreation for the Winter Recreation Fund (Fund Number 0449). The second request was from Department of Health Services for the Aids Drug Assistance Program Rebate Fund (Fund Number 3080). The third request was from the State Water Resources Control Board for the Water Rights Fund (Fund Number 3058). Mr. Spittler said staff had reviewed the requests and recommended them for approval.

The Board accepted the staff's recommendations and approved all three requests, 3-0.

APPROVAL OF 2005 PMIB MEETING DATES

Mr. Spittler presented the proposed calendar of PMIB meeting dates for 2005. He noted that all meetings would fall on the third Wednesday of each month, which has been the tradition of the PMIB for many years. It was also noted that special meetings could be called from time-to-time, if needed. Mr. Spittler also verified that none of the dates fell on any holidays.

The Pooled Money Investment Board proposed meeting dates for 2005 were approved as presented by staff, 3-0.

PRESENTATION OF THE STATE TREASURER'S OFFICE "INVESTMENT POLICY FOR THE POOLED MONEY INVESTMENT ACCOUNT"

Mr. Spittler presented the State Treasurer's *Investment Policy for the Pooled Money Investment Account* as approved by the Treasurer on November 8, 2004. Mr. Spittler indicated that the government code requires an annual review of the policy and a presentation to the Board following such review. He noted that the Investment Division staff had conducted its annual review of the policy and that there were no changes to the existing policy.

APPROVAL OF AB 55 LOANS

Mr. Chris Kooyman of the Public Finance Division of the State Treasurer's Office presented fifteen loan requests as shown in the following table. He noted that items 8.a. through 8.h. were for general obligation bond programs and items 8.i. through 8.o. were for lease revenue bond programs.

Loan Number	Type	Department/Program	Adjusted Loan Amount
045077	GO/Renewal	State Allocation Board Office of Public School Construction School Facilities Bond Act of 1988 (November)	\$2,245,000.00
045078	GO/Renewal	Department of Health Services Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Bond Act of 2000	\$48,546,453.65

APPROVAL OF AB 55 LOANS (Continued)

Loan Number	Type	Department/Program	Adjusted Loan Amount
045079	GO/Renewal	University of California Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Bond Act of 2000	\$2,675,532.76
045080	GO/Renewal	Water Resources Control Board Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Bond Act of 2000	\$210,170,827.56
045081	GO/Renewal	Voting Modernization Board Voting Modernization Bond Act of 2002	\$93,870,000.00
045082	GO/Renewal	Housing and Community Development Housing and Emergency Shelter Trust Fund Act of 2002 (Tax Exempt)	\$19,383,000.00
045083	GO/Renewal	Housing and Community Development Housing and Emergency Shelter Trust Fund Act of 2002 (Taxable)	\$313,756,000.00
045084	GO/New	Water Resources Control Board Water Conservation and Water Quality Bond Law of 1986	\$1,800,000.00
045085	REV/Renewal	University of California SPWB Lease Revenue Bonds Irvine Campus: Natural Sciences Unit 2	\$40,860,000.00
045086	REV/Renewal	California Community Colleges SPWB Lease Revenue Bonds Cuesta College: Library Addition Reconstruction	\$7,200,000.00
045087	REV/Renewal	California Community Colleges SPWB Lease Revenue Bonds Folsom Lake Center: Instructional Facilities Phase 1B	\$32,953,505.00
045088	REV/Renewal	Department of Corrections SPWB Lease Revenue Bonds California State Prison, Sacramento: Psychiatric Services Unit/Enhanced Outpatient Care Phase II	\$12,606,505.00
045089	REV/Renewal	Department of Corrections SPWB Lease Revenue Bonds California Medical Facility, Vacaville: Mental Health Crisis Beds	\$2,847,100.00
045090	REV/Renewal	Department of Transportation SPWB Lease Revenue Bonds San Diego Office Building Replacement	\$70,453,256.00

APPROVAL OF AB 55 LOANS (Continued)

Loan Number	Type	Department/Program	Adjusted Loan Amount
045091	REV/New	Department of Education SPWB Lease Revenue Bonds School for the Deaf, Riverside: Dormitory Replacement and Chiller	\$2,560,000.00

Mr. Kooyman said impact on the Pool would be an increase of \$254.2 million to the loan portfolio and that all loans were recommended for approval as presented with the exception of loan *h.*, which was recommended for approval contingent upon Finance Committee approval following this meeting. Ms. Cindy Aronberg then questioned if the PMIB would be providing a loan for voting modernization equipment that would not provide a paper trail. A representative from the Voting Modernization Board was present and confirmed that there would be a paper trail and that it was required by federal law. Ms. Aronberg then moved to approve all the loans as recommended by staff.

All fifteen-loan requests were approved as recommended by staff, 3-0.

PUBLIC COMMENT

None.

In the absence of further business, the meeting was adjourned at 10:14 a.m.

Respectfully submitted

Mark Paul
Executive Secretary